



CIH Cost Analysis Workgroup - 2016

# CIH COST ANALYSIS SUBCOMMITTEE

January 12, 2016

*CIH Transform is a multi-year effort to engage stakeholders and advance services for individuals with disabilities*

Division of Disability and Rehabilitative Services

# Introductions

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## □ **Chair**

- Kelly Hartman, President & CEO, Insights Consulting

## □ **Partners**

- Nicole Norvell, Director, DDRS
- Public Consulting Group, Inc. (PCG)
  - Nathan Grossman
  - Cathy Anderson
  - Nathan Piper
  - Jennifer MacBlane

# Introductions (cont.)

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## □ Members

Name	Title	Organization
Kim Dodson	Executive Director	The Arc of Indiana
Laura Fife	Case Manager/Managing Owner	Connections Case Management
Terry Huser	Vice President	Huser Special Care
Kim Opsahl	President & CEO	INARF
Dick Rhoad	CEO	Wabash Center Inc.
Adam Schwelnus	Vice President & CEO	Logan Community Resources, Inc.
Dan Stewart	President & CEO	Achieva Resources, Corp.
Misty Woltman	CFO/Controller	Easter Seals – Arc Northeast Indiana

# Advisory Subcommittee Objective

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- Advise DDRS how to better understand the cost of providing CIH residential services as part of the implementation of the CIH waiver amendment (proposed effective date of October 1<sup>st</sup>, 2016)
  
- Advise DDRS on planning cost analysis that will lead to the following outcomes:
  - Providing sufficient resources to obtain positive outcomes
  - Reasonable, informed and defensible rates
  - Avoiding unnecessary administrative burden

# Community Integration & Habilitation Waiver (CIH)

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- Needs based Medicaid 1915(c) waiver available to those who meet very specific criteria
  - 1915(c) waivers allow provision of long term care services in home and community based settings under Medicaid. Programs can provide a combination of standard medical services and non-medical services
- Objective Based Allocation (OBA), which is the amount of money the individual has to purchase his/her services via the CIH, is determined by combining the overall Algo score, age, employment, and living arrangement of the individual,
- Wide array of services including residential supports
- Each participant has a Case Manager who oversees services and supports

# CIH: Federal Role (CMS, OMB, etc.)

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- Medicaid waiver services receive matching federal funds (66.60% in FFY'16)
- Centers for Medicare & Medicaid Services (CMS) serves as the federal oversight agency for all Medicaid waivers, including 1915(c) HCBS waivers.
  - Provide support to State-administered Medicaid plans and Home and Community Based Services (HCBS) waiver programs.
  - Application and amendment approval from states
- Office of Management and Budget (OMB) provides financial oversight and approval
  - All waivers, regardless of size and scope, require the prior review and approval of OMB.
  - OMB may require, changes, additional terms and conditions, or reject the proposed waivers.

# HCBS Waiver – CIH Priority Categories include:

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- Transitioning from:
  - Nursing Facility (NF)
  - Extensive Supports Needs (ESN)
  - Supervised Group Living (SGL)
  - Comprehensive Rehabilitative Management Needs Facility (CRMNF)
- Transitioning from 100% State Line funding
- Aging out of services with:
  - Department of Education (DOE)
  - Department of Child Services (DCS)
  - Supervised Group Living (SGL)
- Death of Primary Caregiver where there is no other caregiver available

# HCBS Waiver – CIH Priority Categories include: (cont.)

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- ❑ Caregiver over 80 where there is no other caregiver available
- ❑ Evidence of abuse or neglect in current setting
- ❑ Extraordinary health and safety risk as reviewed and approved by the Division Director
- ❑ Individuals can request CIH at anytime - each case is reviewed on an individual basis



# Home & Community Based Services

## CIH Waiver Services Provided

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- ❑ Adult Day Services
- ❑ Case Management
- ❑ Behavioral Support Services
- ❑ Community Based Habilitation- Individual and Group
- ❑ Community Transition
- ❑ Electronic Monitoring
- ❑ Environmental Modifications
- ❑ Facility Based Habilitation- Individual and Group
- ❑ Family and Caregiver Training
- ❑ Music Therapy
- ❑ Prevocational Services
- ❑ Recreational Therapy
- ❑ Residential Habilitation and Support
- ❑ Respite
- ❑ Supported Employment Follow Along (SEFA)
- ❑ Transportation
- ❑ Workplace Assistance
- ❑ Structured Family Caregiving

# Current CIH Budgeting Process for Individuals Served

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- ❑ The BDDS System calculates an overall budget for the individual called an Objective Based Allocation (OBA).
- ❑ Within the OBA there are allocations for Residential Services, Day Services and Behavior Management Services
- ❑ There are also Allocations outside the OBA  
(e.g.- Case Management and Transportation)
- ❑ Based on the Allocations the Case manager works with the individual to develop an Individual Support Plan (ISP) to meet their needs
- ❑ The ISP includes the array of services the individual believes will meet their needs within the OBA

# Enhanced Residential Living

NEW

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- Replaces Residential Habilitation Supports – Daily
- For individuals who demonstrate 1:1 staffing is not required at all times and are able to be in the community with minimal supports
- May utilize Remote Support Technology
- Ensure participants receive services from well trained staff

# Intensive Residential Supports: Behavioral

NEW

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- Provides services and supports to individuals who need a more intense level of support
- Requires assessment by the DDRS clinical review team
- Includes components of Wellness Coordination, Behavior Management and Non-Medical Transportation
- May not be provided concurrently with Behavioral Support Services or Wellness Coordination

# Intensive Residential Supports: Medical

NEW

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- ❑ Provides services and supports to individuals who need a more intense level of support
- ❑ Requires assessment by the DDRS clinical review team
- ❑ Includes components of Wellness Coordination and Non-Medical Transportation
- ❑ May not be provided concurrently with Wellness Coordination

# Current Residential Rates

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- Residential Habilitation and Support – Hourly
  - Less than 35 Hours per week – \$24.29 per hour of service
  - More than 35 Hours per week - \$20.41 per hour of service
  
- Residential Habilitation and Support – Daily
  - Dependent on Algo and Living arrangement ranges from \$159.19 per day - \$244.92 per day

# Current Rate Methodology

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## RHS Daily Rate Methodology

- A final daily rate was derived after State and actuarial analysis of actual expenditures for serving consumers at Algo levels 3, 4 and 5 on an hourly basis.
- The RHS Daily rate is built upon the same cost centers and cost factors that were used to build the existing RHS hourly rate.
- RHS Standardized Cost Centers: All provider reimbursement rates consist of four cost centers:
  1. Direct Care Staff Compensation
  2. Employee Expenses
  3. Program Supervision and Indirect Expenses
  4. General & Administrative Expenses

# Rate Methodology Waiver Amendment

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- Enhanced Residential Living (ERL)
  - DDRS utilized the rate methodology developed in 2014
  - DDRS included a 2.5% rate increase
  - A final daily rate was derived after State and actuarial analysis of actual expenditures for these individuals.



# Rate Methodology Waiver Amendment

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- Intensive Residential Supports – Behavioral and Medical
  - DDRS reviewed the increased needs of the small proportion of individuals on the waiver who had intensive needs either due to behavioral or medical issues
  - Actuary reviewed the actual expenditures of individuals who have intensive needs who are currently living in a maximum 4 bed, specialized ICF/IDD homes within communities, throughout Indiana. The ICF/IDD homes are classified as Extensive Support Needs and Extensive Medical Needs homes and have previously established rates which reflect the greater needs of those living in these ICF/IDD settings.
  - DDRS also did a comprehensive review of the individuals who may be eligible for this service to ensure it was establishing rates that would meet their needs.
  - In establishment of the rates, the actuary utilized the actual cost of the service within the ICF/IDD homes, identifying those components of the service that were comparable to the HCBS Intensive Residential Supports service. The cost of those services were then compiled to develop a residential daily rate.

# Proposed Future Meeting Topics

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## ❑ February

- Review relevant federal rules, regulation & guidance (CMS, OMB, etc.)
- Review of Reimbursement Models and Cost Analysis used by comparable programs (IN and other states)

## ❑ March

- Discuss major cost components of CIH residential services & trends
- Direct service staff, supervision, QA & training, administration overhead, etc.)

# Proposed Future Meeting Topics

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## □ **April**

- Discuss components of a cost study (cost survey structure, participation, frequency, validation, etc.)

## □ **May & June**

- Discuss DDRS' proposed cost analysis approach

# Questions & Comments

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- ☐ Are there specific comparable programs that PCG should review for presentation in February?
- ☐ Other next steps?

# Where to Find Documents

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- Go to [www.in.gov/fssa/ddrs](http://www.in.gov/fssa/ddrs)

 FSSA HOME

Under **Programs & Services**

 Click **Developmental Disability (BDDS)**

 Click [CIH Transform](#)